

ILLINOIS COMMERCE COMMISSION

DOCKET 23-_____

DIRECT TESTIMONY

OF

JASON S. KLEIN

Submitted on Behalf

of

**AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois**

January 20, 2023

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I. INTRODUCTION

A. Witness Identification

Q. Please state your name and business address.

A. My name is Jason S. Klein. My business address is 1050 W. Boulevard, Belleville, Illinois 62221.

Q. By whom are you employed and in what capacity?

A. I am the Director, South Electric Operations for Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois or the Company).

Q. What are your current job duties and responsibilities?

A. I am responsible for certain aspects of Ameren Illinois' electricity distribution business, including field operations and engineering. My testimony will focus on my knowledge of Ameren Illinois' electric operations.

Q. Please describe your educational background and work experience.

A. See my Statement of Qualifications, attached as an Appendix to this testimony.

B. Purpose, Scope and Identification of Exhibits

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to support the cost recovery of operation and maintenance (O&M) expense that supports electric delivery service forecasted for the 2024-2027 period covered by the Company's Multi-Year Rate Plan (Rate Plan). I also provide an overview of the Company's electric operations, explain major operational programs and changes anticipated during the 2024-2027 period, and explain the drivers of significant variances in O&M FERC Accounts relative to 2021 levels.

Q. Please summarize the conclusions of your direct testimony.

A. The main conclusion of my direct testimony is that the forecasted operational and maintenance activities for 2024-2027 are necessary to provide safe, adequate and reliable electric delivery service, and related costs are reasonable in amount and will be prudently incurred during that period.

Q. Are you sponsoring any exhibits with your direct testimony?

A. No.

II. AMEREN ILLINOIS' ELECTRIC OPERATIONS

Q. Please describe Ameren Illinois' electric systems, service territory, and operations.

A. Ameren Illinois' electric system consists of approximately 46,000 miles of distribution lines with voltages from 600 V to over 100 kilovolts (kV). Approximately 84% of these lines are overhead, with the remaining 16% underground. This system serves more than 1.2 million electric customers throughout the lower three-quarters of the State of Illinois. The topography of the electric system varies from flat, rocky, hilly and sandy; it runs through fields, forests, and

across wetlands and waterways. Many communities served are rural, but Ameren Illinois also delivers electricity to larger areas such as Belleville, Bloomington-Normal, Carbondale, Champaign-Urbana, Danville, Decatur, Galesburg, Marion, Mattoon, Peoria, and Quincy. By ensuring lines and equipment are appropriately maintained, customers realize the benefit of a safe and reliable electric system.

III. SAFETY AND RELIABILITY

Q. How does Ameren Illinois maintain and improve the safety and reliability of its electric delivery service?

A. Ameren Illinois is prepared to restore electric power to customers after service disruptions caused by severe weather conditions and other catastrophic events, as well as other causes such as equipment failures, vehicle and construction accidents. Ameren Illinois also plans and implements initiatives annually, which are intended to maintain and improve the reliability of the grid. Such reliability initiatives include inspection programs, animal mitigation, lightning protection, underground cable replacement, automation projects, vegetation management, equipment replacement, storm hardening, etc. These reliability initiatives are part of the operational activities and plant investments that Ameren Illinois implements to maintain and improve the adequacy, safety and reliability of its electric distribution systems and to enhance customer satisfaction. In addition to these reliability initiatives, Ameren Illinois will make capital investments in its electric distribution infrastructure during 2024-2027. Capital investments are addressed in the testimony of Company witness Steven R. Wolter.

Q. Please describe how Ameren Illinois measures and otherwise assesses the safety and reliability of its electric delivery system.

A. Under the performance based ratemaking framework established by Public Act 102-0662, and pursuant to the orders of the Commission in Docket 22-0063, the Company will track and report on various electric reliability indices beginning in 2024: the System Average Interruption Duration Index (SAIDI), which measures the total duration of interruption for the average customer during a predefined period measured in minutes, and is calculated as SAIFI (System Average Interruption Frequency Index, which measures the frequency of outages and is calculated by summing the customer interruptions that occurred over a period and then dividing the result by the total number of customers served, regardless of whether the customer experienced an outage) times CAIDI (Customer Average Interruption Duration Index, which measures the duration of outages and is calculated by summing the minutes of interruption that individual customers experienced over a period and then dividing the result by the total number of customer interruptions); SAIFI; Customers Experiencing Multiple Interruptions (CEMI₄), which indicates the percentage of customers on the system experiencing 4 or more interruptions during a predefined period; and Customers Experiencing Long Interruption Duration (CELID₁₂), which indicates the percentage of customers on the system experiencing an outage of 12 hours or more during a predefined period. The Company will track and report on SAIDI performance for customers systemwide, and SAIDI, SAIFI, CEMI₄, and CELID₁₂ for customers in equity investment eligible communities, *i.e.*, environmental justice (EJ) and R3 Areas (R3).

Q. Has Ameren Illinois historically been required to submit reports to the Illinois Commerce Commission on its reliability?

A. Yes. Under EIMA, on or before June 1 of each year, Ameren Illinois has been required to file annual electric reliability reports with the Illinois Commerce Commission (Commission) for the previous calendar year. In addition, EIMA (Section 16-108.5(f)) required Ameren Illinois to file a report with the Commission on June 1 of each year, which describes Ameren Illinois' annual performance under "multi-year metrics" approved by the Commission.

A. Past and Future Safety, System Integrity and Reliability Efforts

Q. What are some of the O&M activities that have been performed in recent years to strengthen the safety and reliability of Ameren Illinois' electric distribution system?

A. Examples of ongoing key reliability initiatives include:

- Tap Fuses: Fuses are installed at a tap where it intersects the two- or three-phase circuit backbone. When a fault occurs on a fused tap, customer interruptions are limited to only those customers that are downstream of the fuse. Fuses are a device that helps isolate the zone of interruption, thereby reducing the number of customers who are affected by an outage
- Multiple Device Interruptions: On a weekly basis, a report is generated and reviewed that identifies devices such as transformers, fuses, capacitor banks, and reclosers that have been involved in 3 or more interruptions in the past 12-month period. Repair activities help to mitigate recurrence of outages.
- Circuit and Device Inspection Programs: These two proactive programs provide for ongoing cyclic inspections to routinely address newly identified or potential problem areas.
- Vegetation Management: Mid-cycle trimming identifies and addresses vegetation issues that have evolved since the last scheduled maintenance trim, with a focus on dead trees, hazard trees, animal damage, vine conditions and excessive re-growth that pose a threat to the safe and reliable operation of the Ameren Illinois distribution system prior to the next scheduled maintenance trim. The Company works with the public by promoting the right tree in the right place and with communities to identify and remove existing problem trees in order to increase reliability.

- **Animal Mitigation:** While all new transformers are now equipped with both lightning and animal protection when purchased, many existing transformers do not have the heavier, insulated wire or the protective cover over the bushing that helps prevent animal intrusion. In problem areas that had experienced animal-related outages, Ameren Illinois took steps to retrofit portions of many circuits with animal guards, and installed electric fences around many substations inside of the perimeter fence with a low energy voltage to discourage animal entry on to substation equipment, and continues to maintain these mitigation measures. Reducing animal intrusion is not only a focus on the ground, but also in the air. Beginning in 2010, Ameren Illinois made avian protection a priority in mitigating animal-caused outages. This program continues to focus on areas of the distribution system where there are known eagle or osprey nests, and also on facilities that are in or near state and federal protected wildlife areas. Keeping out birds also mitigates outages caused by animals that hunt birds or eat eggs. Ameren Illinois customers have experienced greater reliability due to these animal mitigation efforts.

Collectively, these activities and many others completed during 2021, including inspecting 81,362 distribution poles and inspecting 6,593 distribution circuit miles were critical for maintaining and continuing to strengthen the safety, integrity, and reliability of the electric distribution system.

Q. Please identify specific O&M initiatives that Ameren Illinois expects to continue or implement in the 2024-2027 period to maintain and strengthen the safety, reliability, and integrity of the electric distribution system while reducing costs.

A. Specific electric distribution O&M initiatives that Ameren Illinois expects to continue or implement in the 2024-2027 period include, but are not limited to the following, several of which are expected to result in O&M cost savings:

- **Enhanced Vegetation Management:** We are increasing mechanical trimming with helicopters and mechanical ground equipment which helps reduce O&M expense by reducing the manpower needed to trim trees. We are also increasing the use of herbicides which will prevent plant growth and thus reduce the amount of trimming and clearing needed later. We are also implementing Integrated Vegetation Management practices which include a pollinator program and food plots under our lines, also reducing the amount of trimming and clearing needed later

- Substation Changes: We will change from a time-based maintenance strategy to a reliability based maintenance strategy, which is expected to result in fewer technician trips. Specific changes include the following:
 - Capacitor Bank inspections will change from every 6 months to every 2 – 6 years depending on the voltage of the Cap Bank, which is expected to result in fewer technician trips.
 - Breaker Maintenance will change from a time based schedule to a testing irregularities process, which is expected to result in fewer technician trips.
 - Recloser / Low Voltage Breakers – stop insulation testing during 3 year minor service preventative maintenance (PM) for Vipers manufactured by G&W Electric.
 - Regulators:
 - Discontinue proactive Corrective Maintenance Shop Overhaul on the 9-year PM cycle in Mattoon and Marion.
 - Implement the use of Regulator Electronic Controller reliability tracking features (Operations count, neutral wipe and contact ware).
 - Switches, including several changes expected to result in cost savings due to fewer technician trips:
 - Automatic Throw Over (ATO) with Motor Operated (MO) Switch – increase the timing on operational checks from every year to once every 3 years
 - Air Break Switches > or = to 34.5 kV – increase the timing of operational checks on Non-Load Break (no Motor Operator) from every 6 years to every 12 years.
 - Motor Operators – increase the timing of PMs from 3 years to 6 years.
 - Relay Checks, including several changes expected to result in cost savings due to fewer technician trips:
 - Microprocessor Relays – increase the timing on testing from every 6 years to every 12 years
 - Trip checks (no ATO) – increase the timing on testing from every 6 years to every 12 years.

Finally, the Company plans to undertake additional O&M measures in connection with the requirements of, and programs to be implemented under, Public Act 102-0662. These include

O&M activities related to: Distribution Automation, such as maintenance of batteries, communication equipment, and firmware and device issues; Subtransmission Line Hardening; and increased electric distribution planning related to new Distributed Energy Resources (DER) requests.

Q. Does Ameren Illinois take actions to control its operations and maintenance costs?

A. Yes. As reflected in the changes detailed above, the Company always looks for opportunities to control O&M expenses and implements accordingly. While some cost controls measures are one-time, others are ongoing.

Q. Can you give examples of key cost control measures that Ameren Illinois continues to use?

A. Ameren Illinois strives to implement industry best practices to provide value to customers. There are several business processes or practice changes that Ameren Illinois has implemented or plans to implement.

For example, the process for working with customers on new facilities has been standardized across the organization. At the front end of the process, customers and builders who call in to establish service at new premises are routed to call-takers who are trained in using a system specifically designed to facilitate this process. Several touch points for better customer communication and interaction were identified and implemented as well. After the initial call from the customer, Ameren Illinois provides the new premise customers with information detailing the next steps in the process.

Best practices have also been identified on the engineering front as well. Jobs that are routinely requested by customers and are relatively consistent in nature as far as required equipment, tools, and manpower were considered to be a standard design job. A standard design

201 job means that is it not necessary for engineering personnel to meet face-to-face with customers
202 to develop a work package for facilities to be constructed. Instead, with trained call-takers
203 collecting pertinent information on the front end, centrally located engineering personnel can
204 develop a work package by using that information. Not only does this approach eliminate trips to
205 the field, it also provides customers with the right expertise at the right time in the process.

206 Ameren Illinois continues to look for opportunities that are appropriately timed to take
207 advantage of capital cost savings. Aligning resources with work is also an ongoing initiative.
208 Before an open position is filled, a thorough review of the job requirements is considered. If
209 options for eliminating or disbursing work elsewhere are prudent, the Company may be able to
210 mitigate the need to fill the current position. Ameren Illinois continues to look at 1-man truck
211 positions that are primarily tied to O&M costs and, when possible, shifting that manpower to the
212 crews who do much more Capital work.

213 Ameren Illinois also has reviewed cost containment with respect to contractors. Wherever
214 possible, new contracts have been negotiated. In one situation, the new contract eliminated a
215 clause whereby the contractor had a guaranteed 40 hours a week for equipment, whether the
216 equipment was used or not. The new contract ensures payment only for the hours the equipment
217 was used. In other words, if the crew goes home after three hours, the Company is only charged
218 three hours for the equipment.

219 Ameren Illinois has also continued to use its automated JULIE screening program,
220 including with recent changes intended to increase the cost saving benefits of this program. This
221 screening process determines if facilities are in the vicinity of the locate request. If there are no
222 facilities in the vicinity, a locator is not dispatched to the address, thus avoiding the costs of that

ticket. Recently, the Company has reduced the size of the area evaluated in the JULIE screening process which results fewer nearby facilities identified, and thus fewer locator dispatches.

Ameren Illinois also utilizes project management personnel and strategies for projects of \$500k or more that work to ensure that projects are ready and resources and materials are available to minimize downtime. The Company has also recently implemented new digital tools and planning and scheduling practices to make work crews more efficient by reducing downtime and travel inefficiencies.

Other recent cost saving initiatives include:

- Street Light Replacement on Failure: Previously it was our practice to repair street lights. Today our approach to replace the street light on failure with a new LED fixture, promoting energy efficiency and durability and resulting in fewer technician trips.
- Underground Cable Replacement vs Repair: In the past, a cable would need to fail 3 times before it would be replaced. Each failure would require a repair (O&M expense), and result in customer outages. Today, when a cable fails, that cable section is replaced, increasing reliability (with a corresponding savings of O&M expense due to avoided repairs) while improving customer satisfaction.
- Voltage Optimization Circuit Monitoring: We no longer conduct regulator or capacitor inspections on these circuits because we have the technology in place to monitor this equipment and repair it when needed, resulting in lower inspection costs.

IV. OPERATING EXPENSES

Q. What are the major components of Ameren Illinois' forecasted operating expenses included in the revenue requirement?

A. Major components of Ameren Illinois' forecasted operating expenses include Distribution Expenses (Operation and Maintenance), Customer Accounts Expenses (Operation), Customer Service and Informational Expenses (Operation) and Administrative and General (A&G) Expenses (Operation and Maintenance). I discuss Distribution Expenses. Hector H. Irizarry-

Robles discusses Customer Accounts Expenses, Customer Service and Informational Expenses, and A&G Expenses. Mr. Irizarry-Robles also discusses how Ameren Illinois developed and confirmed the reasonableness of its Rate Plan forecast, which includes the Operating and Maintenance expenses I address in my testimony, for the 2024-2027 period covered by the Rate Plan.

Q. Has Ameren Illinois made any adjustments to the annual budget data in developing the 2024-2027 test years forecast?

A. Yes. Ameren Illinois made adjustments to the forecasts to reflect appropriate ratemaking treatment of certain cost, expense, and revenue items. Company witness Ronald D. Stafford discusses these adjustments.

Q. What is the amount of Electric Distribution O&M Expense included in the revenue requirement for each test year (2024-2027)?

A. The amount of Electric Distribution O&M expense (FERC Accounts 580 through 598) included in the revenue requirement is \$295,288,000 for 2024, \$310,526,000 for 2025, \$322,251,000 for 2026, and \$326,620,000 for 2027.

Q. What are the principal activities or categories of expense that make up Ameren Illinois' Electric Distribution O&M Expense?

A. I have consolidated the expense into five major groupings: supervision and engineering (FERC Accounts 580 and 590), dispatch (FERC Account 581), station (FERC Accounts 582, 591, and 592), line (FERC Accounts 583-587 and 593-597), and miscellaneous expense (FERC Accounts 588, 589, and 598).

A. Supervision and Engineering

Q. How much Supervision and Engineering expense is included in the revenue requirement?

A. Forecasted Supervision and Engineering expenses for 2024-2027 included in the revenue requirement from FERC Accounts 580 and 590 respectively are \$11,210,000 for 2024, \$11,788,000 for 2025, \$12,539,000 for 2026, and \$12,922,000 for 2027.

Q. What activities are associated with Supervision and Engineering?

A. Supervision and Engineering costs are attributed to supporting line and substation construction and maintenance activities.

Q. Why are the forecasted costs included in the revenue requirement for these activities and work necessary and prudent?

A. These labor expenses are necessary to insure appropriate oversight of system operations, engineering designs and support for effective and efficient daily operations.

B. Dispatch

Q. How much Dispatch expense is included in the revenue requirement?

A. Forecasted dispatch expenses for 2024-2027 included in the revenue requirement from FERC Account 581 are \$4,797,000 for 2024, \$4,945,000 for 2025, \$5,115,000 for 2026, and \$5,293,000 for 2027.

Q. What activities are associated with Dispatch?

A. Dispatch personnel are responsible for switching, voltage control, equipment loading, and other activities necessary for the operation of the system. Safely directing switching and

controlling clearances are the primary activities that help ensure the electric grid is running safely and efficiently.

Q. Why are the forecasted costs included in the revenue requirement for these activities and work necessary and prudent?

A. These labor expenses are necessary to insure safe, effective and efficient daily operations.

C. Station Expenses

Q. How much Station operation and maintenance expense is included in the revenue requirement?

A. Forecasted Station operation and maintenance expenses for 2024-2027 included in the revenue requirement from FERC Accounts 582, 591 and 592 respectively are \$46,024,000 for 2024, \$48,238,000 for 2025, \$50,076,000 for 2026, and \$51,431,000 for 2027.

Q. What operational and maintenance activities or work does Ameren Illinois typically conduct with respect to its substation facilities?

A. In general, substation O&M expenses are associated with predictive, preventative and corrective maintenance as outlined in the Ameren Substation Maintenance Strategy. Preventative and Predictive Maintenance include costs associated with equipment testing and equipment overhauls designed to maintain or improve station equipment including breakers, transformers, regulators and reclosers. Corrective maintenance is maintenance is defined as maintenance performed to correct a deficiency in advance of an outage or as a result of an outage. This type of maintenance is performed on all substation equipment including insulators, switches, breakers, reclosers, regulators and transformers.

Q. Why are the forecasted costs included in the revenue requirement for these activities and work necessary and prudent?

A. The forecasted costs included in the revenue requirements for these activities and work are necessary and prudent to maintain the integrity and the reliability of the substation system, while providing a safe work environment for Company employees and contractors, in accordance with the Ameren Substation Maintenance Strategy.

D. Line Expenses

Q. How much line operation and maintenance expense is included in the revenue requirement?

A. Forecasted line operation and maintenance expenses included in the revenue requirement for 2024-2027 from FERC Accounts 583-587 and 593-597 respectively are \$161,186,000 for 2024, \$163,463,000 for 2025, \$165,256,000 for 2026, and \$167,497,000 for 2027.

Q. What operational and maintenance activities or work does Ameren Illinois typically conduct with respect to its Lines?

A. Operations and Maintenance activities associated with the overhead line system include corrective and preventative maintenance on poles, conductors and other devices associated with the overhead system. Tree trimming expenses are the largest portion of overhead line expenses. Other operations and maintenance expenses include miscellaneous hardware repairs or replacements as a result of a circuit inspection, poor performing circuits or storm damage. Labor associated with the transfer of material during the replacement of poles is also included in this category.

Operation and maintenance activities associated with underground lines include inspecting and testing of underground network devices and vaults as well as the repair of underground cable to prevent or eliminate underground cable failures.

Street Light and Signal Systems, FERC Accounts 585 and 596, capture the costs associated with work on street or dusk-to-dawn lights as part of normal system operations.

Customer requested work, FERC Account 587, is defined as the relocation of electric overhead or underground distribution or sub-transmission facilities at the request of customers who are businesses or individuals. The reasons for the work include: Relocates for companies involved in plant expansions or renovations; Relocates for individuals who are building near or under our existing lines. This activity includes the temporary or permanent relocation or removal of electric lines, services, or meters performed at the request of a customer. It includes relocation work due to swimming pools, decks, patios, and house moving, temporarily holding/restraining poles to support customer construction work, installation/removal of coverup, streetlight and/or dusk-to-dawn lighting changes/upgrades.

Line transformer operations and maintenance expenses, FERC Account 595, include the labor and material costs associated with the repair or inspection of line transformers due to failure or failure prevention activities.

The primary costs associated with meter O&M, FERC Accounts 586 and 597, are labor and material costs incurred while changing, repairing, investigating and testing meters and non-pay electric service turn-on and turn-off. Electric meter changes and repairs result from sample test, periodic test, zero use, stopped meter, AMI device malfunction, and customer requested meter test.

Q. Why are the forecasted costs included in the revenue requirement for these activities and work necessary and prudent?

A. Costs associated with operating and maintaining overhead lines are necessary to maintain and improve the reliability of the overhead system and the safety of the public and employees of Ameren Illinois. Many of the overhead line O&M expense activities are a direct result of a circuit inspection and maintenance program or a result of damage caused by major and minor storms. Underground device inspection and maintenance is necessary to ensure the safety and reliability of underground networks and devices.

Ameren Illinois is required to test and change meters on a regular basis. Meter issues such as stopped meter or meter malfunction must be investigated and remedied quickly to prevent or limit billing errors and theft.

E. Miscellaneous

Q. What other categories of O&M expense are included in Ameren Illinois' electric distribution revenue requirement?

A. Other forecasted O&M expenses included in the revenue requirement for 2024-2027 from FERC Accounts 588, 589, and 598 respectively are \$72,072,000 for 2024, \$82,092,000 for 2025, \$89,266,000 for 2026, and \$89,477,000 for 2027. These other O&M expenses are not specifically addressed earlier in my testimony and are grouped because these accounts consist of a wide range of charges that do not logically align within the larger groups.

Q. Has the Company analyzed whether there were any significant variances in any of the expense accounts discussed above when comparing 2021 expenses to the 2024-2027 forecasted expenses?

A. Yes. I discuss significant variances in Ameren Illinois' electric O&M expenses included in FERC Accounts 580-598. Mr. Irizarry-Robles discusses significant variances in Customer Account Expenses (FERC Accounts 901-905), Customer Service and Informational Expenses (FERC Accounts 907-910), and Administrative & General (A&G) Expenses (FERC Accounts 920-935).

Q. What did Ameren Illinois consider a significant variance in that analysis?

A. For this filing, Ameren Illinois considered a significant variance to be a change of more than 10% and at least \$2,000,000, on an annualized basis, when comparing the total forecasted 2024-2027 expense to the actual 2021 expense.

Q. In looking at the Electric Distribution O&M FERC Accounts (Accounts 580-598), please explain the significant variations in expense that Ameren Illinois forecasts for these accounts for 2024-2027, as compared to 2021 expense.

A. For the Electric Distribution O&M FERC Accounts, there are four accounts that are forecasted to have a change in expense of more than 10% and at least \$2,000,000: FERC Account 583 (Overhead Line Expenses), FERC Account 588 (Other Expenses), FERC Account 592 (Maintenance of Station Equipment), and FERC Account 594 (Maintenance of Underground Lines).

Q. Please explain the main driver(s) of the significant variance in FERC Account 583.

A. Account 583 (Overhead Line Expenses) is forecasted to decrease approximately -\$10.35 million, or -31.8%, between 2021 and 2024; -\$9.36 million, or -28.7%, between 2021 and 2025; -\$9.98 million, or -30.6%, between 2021 and 2026; and -9.74 million, or 29.9%, between 2021 and 2027. These decreases can be primarily attributed to the following factors applicable to all four years: (1) roughly half of the forecasted decrease is attributable to a decrease in forecasted contractor costs associated with major storms, government relocations, and reliability projects related to EIMA, which sunsets at the end of 2022; (2) anticipated headcount vacancy, and (3) increased purchase of transformers which will result in increased capitalization of related labor.

Q. Please explain the main driver(s) of the significant variance in FERC Account 588.

A. Account 588 (Other Expenses) is forecasted to increase approximately \$11.99 million, or 44.1%, between 2021 and 2024; \$13.70 million, or 50.3%, between 2021 and 2025; \$16.09 million, or 59.1%, between 2021 and 2026; and \$17.25 million, or 63.4%, between 2021 and 2027. These increases can be attributed to the following factors applicable to all four years: (1) an increase in the cost of utility locating contracting costs that took effect in 2022; (2) electrification initiatives, including those driven by CEJA such as incremental supplemental line extension allowances for providing service to charging station service points across all the BE Plan programs as participation increases over the 5 years to support the state's EV goals, and (3) other costs required for CEJA implementation, including costs associated with the Multi-Year Integrated Grid Plan, the Multi-Year Rate Plan, the performance metrics approved by the Commission in Docket 22-0063, the third-party audit of performance metrics performance, and pilot programs.

418 **Q. Please explain the main driver(s) of the significant variance in FERC Account 592.**

419 A. Account 592 (Maintenance of Station Equipment) is forecasted to increase approximately
420 \$14.81 million, or 55.3%, between 2021 and 2024; \$16.93 million, or 63.3%, between 2021 and
421 2025; \$18.69 million, or 69.9%, between 2021 and 2026; and \$19.96 million, or 74.6%, between
422 2021 and 2027. These increases can be attributed to additional forecasted substation labor and
423 related expenses for increased system reliability and maintenance work, including due to a
424 reduction in forecasted labor expenses for capital and transmission-related work.

425 **Q. Please explain the main driver(s) of the significant variance in FERC Account 594.**

426 A. Account 594 (Maintenance of Underground Lines) is forecasted to decrease
427 approximately -\$2.14 million, or -41.2%, between 2021 and 2024. This decrease can be
428 attributed to a forecasted decrease in maintenance costs due to the Company's change, which I
429 discussed earlier in my testimony, from repairing underground cables three times prior to
430 replacement, to replacing cable sections upon failure, resulting in fewer repair costs.

431 **Q. Are there any other accounts with a variance in expense that did not meet your**
432 **stated threshold that you would care to discuss?**

433 A. No.

434 **V. CONCLUSION**

435 **Q. Does this conclude your direct testimony?**

436 A. Yes, it does.

APPENDIX
STATEMENT OF QUALIFICATIONS
JASON S. KLEIN

I received a Bachelor of Science Degree in Mechanical Engineering from Southern Illinois University at Edwardsville in 1996. I joined Illinois Power Company n/k/a/ Ameren Illinois in June 1996 as a Field Engineering Representative. I have previously held the positions of Distribution Design Center Engineering Representative, Assistant Engineering Supervisor, Engineering Supervisor, Electric Construction Supervisor, Supervising Engineer, Electric Superintendent, Division VI Supervising Engineer, Division VI Senior Manager of Operations, Division V Director of Operations, Division VI Director of Operations, and currently the South Region Electric Director. In my current position, I am responsible for the electric construction, maintenance and engineering activities for the 9 operating centers that are in the South Region.